

Senate Bill 409

Testimony of Clinton Tax Collector Melanie Yanus, CCMC

March 8, 2016

**Banking Committee**

**“AN ACT CONCERNING THE ASSIGNMENT OF CERTAIN LIENS AND EXPANDING HOMEOWNER PROTECTIONS UNDER THE EMERGENCY MORTGAGE ASSISTANCE PROGRAM.**

This bill includes changes in the law to prohibit a municipality from assigning the collection of taxes (in this case assignment of liens of less than \$5000.00). This is a detriment to both real estate owners and the municipalities. From my 20 years of experience as a tax collector and 9 years as an assistant tax collector, the sooner a delinquent tax issue is addressed, the better the chances of getting the property owners back on track and able to retain ownership of their real estate. When you do nothing for two or more years, the debt amount is so high, there is no way back for most taxpayers.

Changing the interest rate on delinquent tax bills based on certain collection actions is discriminatory. Interest is compensatory not punitive. It must be the same for all people and for all municipalities. More and more people are not paying their tax bills in a timely manner. Please do not lower the interest rate from 18% as it will only encourage more taxpayers to “wait to pay” their tax bills.

The current statute 12-195h provides the best means for the assignees to purchase liens and to then foreclose. The requirements in the new legislation for the assignees to evaluate the homeowner’s willingness and ability to repay is beyond the scope of the law of tax collection. That is why the delinquent taxpayer is afforded his/her right in court before a judge. If assignees treat one delinquent taxpayer differently from another in the evaluation process, you have a major issue again with discrimination.

Respectfully submitted,

Melanie Yanus